

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1763 - SB 1986

March 6, 2009

SUMMARY OF BILL: Requires the Bureau of TennCare to fully fund co-pay reimbursements for Medicare/Medicaid dual eligible enrollees who utilize emergency services.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$5,293,900

Increase Federal Expenditures - \$15,175,900

Assumptions:

- According to the Bureau of TennCare, Medicare reimburses providers of covered ambulance services at approximately 80 percent of a Medicare allowed rate.
- TennCare supplemented the Medicare payment by paying the approximately 20 percent difference through FY07-08. FY08-09 is the first year that TennCare has not supplemented the difference.
- TennCare will incur a significant increase in expenditures to fully fund the reimbursements or the 20 percent difference.
- In FY07-08, actual expenditures for these services were \$98,412,503. Of this amount, Medicare covered \$78,172,408 and TennCare covered \$20,240,095.
- It is estimated that costs for FY09-10 will grow by four percent from FY07-08, resulting in an increase in total costs of \$102,349,103 (\$98,412,503 x 1.04).
- Of the \$102,349,003, Medicare will cover 80 percent, or \$81,879,202, and TennCare will cover the remaining 20 percent, or \$20,469,801.
- Of the \$20,469,801, \$5,293,900 will be state funds at a rate of 25.862 percent and \$15,175,901 will be federal funds at a match rate of 74.138 percent.

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/kml